

**SABINE ASSOCIATION FOR RETARDED CITIZENS, INC.
MANY, LOUISIANA
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
JUNE 30, 2013**

SABINE ASSOCIATION FOR RETARDED CITIZENS, INC.
MANY, LOUISIANA
TABLE OF CONTENTS
JUNE 30, 2013

	<u>Exhibit</u>	<u>Schedule</u>	<u>Page</u>
Board of Directors	-	-	1
Independent Auditor's Report	-	-	2
Financial Statements			
Statements of Financial Position	A	-	4
Statements of Activities	B	-	5
Statements of Cash Flows	C	-	6
Statements of Functional Expenses	D	-	7
Notes to the Financial Statements	-	-	8
Supplementary Information			
Group Homes			
Statements of Financial Position	-	1	13
Statements of Activities	-	2	14
Statements of Cash Flows	-	3	15
Statements of Functional Expenses	-	4	16
Adult Habilitation Program			
Statements of Financial Position	-	5	17
Statements of Activities	-	6	18
Statements of Cash Flows	-	7	19
Statements of Functional Expenses	-	8	20
Sheltered Workshop			
Statements of Financial Position	-	9	21
Statements of Activities	-	10	22
Statements of Cash Flows	-	11	23
Statements of Functional Expenses	-	12	24
Schedule of Compensation to Board Members	-	13	26
Schedule of Findings and Questioned Costs	-	14	27
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <u>Government Auditing Standards</u>	-	-	28
Summary Schedule of Prior Audit Findings	-	15	30
Corrective Action Plan for Current Year Audit Findings	-	16	31

SABINE ASSOCIATION FOR RETARDED CITIZENS, INC.
MANY, LOUISIANA
BOARD OF DIRECTORS
JUNE 30, 2013

President	Pete Abington
Vice-President	Wilton Anthony
Secretary	Vicki Sistrunk
Treasurer	Mary Hariel
Board Members	Suzette Anderson Katherine Green Daniel Lowe Jean Rains Gloria Ruffin

Executive Director	Wayne Martinez
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HINES, SHEFFIELD & SQUYRES, L.L.C.

FRANK S. HINES, CPA
LEWIS C. HINES, CPA
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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Sabine Association for Retarded Citizens, Inc.
Many, Louisiana 71449

Report on the Financial Statements

We have audited the accompanying financial statements of the Sabine Association for Retarded Citizens, Inc. (a non-profit organization), which comprise the statement of financial position as of June 30, 2013, and the related statements of activities, cash flows and functional expenses for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Sabine Association for Retarded Citizens as of June 30, 2013, and the changes in its net assets, cash flows and functional expenses for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying information identified in the table of contents as Supplemental Information is presented for purposes of additional analysis and is not a required part of the financial statements.

The Supplemental Information schedules are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued a report dated December 6, 2013, on our consideration of Sabine Association for Retarded Citizens's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering Association's internal control over financial reporting and compliance.

The financial information for the year ended June 30, 2012, which is included for comparative purposes, was taken from the financial report for that year in which we expressed an unqualified opinion dated December 14, 2012, on the financial statements of the Sabine Association for Retarded Citizens, Inc.

Hines, Sheffield & Squyres

Natchitoches, Louisiana

December 6, 2013

EXHIBIT A

SABINE ASSOCIATION FOR RETARDED CITIZENS, INC.
MANY, LOUISIANA
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2013 AND 2012

	<u>2013</u>	<u>2012</u>
Assets		
Cash	\$ 1,616,295	\$ 1,473,282
Investments	50,553	50,301
Receivables	780,145	461,906
Inventory	44,353	43,881
Prepaid expenses	51,883	51,208
Deposits	9,437	9,572
Property, buildings and equipment, net	<u>742,631</u>	<u>768,041</u>
Total Assets	<u>\$ 3,295,297</u>	<u>\$ 2,858,191</u>
Liabilities		
Accounts payable and accruals	<u>\$ 275,836</u>	<u>\$ 204,502</u>
Total Liabilities	275,836	204,502
Net Assets		
Unrestricted	3,019,461	2,648,059
Temporarily restricted	<u>0</u>	<u>5,630</u>
Total Net Assets	<u>3,019,461</u>	<u>2,653,689</u>
Total Liabilities and Net Assets	<u>\$ 3,295,297</u>	<u>\$ 2,858,191</u>

The notes to the financial statements are an integral part of this statement.

SABINE ASSOCIATION FOR RETARDED CITIZENS, INC.
MANY, LOUISIANA
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2013 AND 2012

	<u>2013</u>	<u>2012</u>
Unrestricted Net Assets		
Support		
Medicaid	\$ 2,009,558	\$ 2,064,689
Charges for services and fees	2,545,937	2,493,135
Rentals	15,840	15,840
Interest	1,193	1,683
Other	323,049	9,790
Transfers	170,656	109,281
Net Assets Released from Restrictions		
Depreciation on restricted assets	<u>0</u>	<u>9,819</u>
Total Revenues, Gains and Other Support	5,066,233	4,704,237
Expenses		
Program services	3,456,293	3,404,601
Management and general	1,073,512	1,002,169
Transfers	<u>170,656</u>	<u>109,281</u>
Total Expenses	<u>4,700,461</u>	<u>4,516,051</u>
Increase in Unrestricted Net Assets	365,772	188,186
Temporarily Restricted Net Assets		
Current depreciation on restricted assets	<u>0</u>	<u>(9,819)</u>
Increase/(Decrease) in Temporarily Restricted Net Assets	<u>0</u>	<u>(9,819)</u>
Increase in Net Assets	365,772	178,367
Net Assets, Beginning of year	<u>2,653,689</u>	<u>2,475,322</u>
Net Assets, End of year	<u>\$ 3,019,461</u>	<u>\$ 2,653,689</u>

SABINE ASSOCIATION FOR RETARDED CITIZENS, INC.
MANY, LOUISIANA
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2013 AND 2012

	<u>2013</u>	<u>2012</u>
Cash Flows From Operating Activities		
Change in net assets	\$ 365,772	\$ 178,367
Adjustments to reconcile change in net assets to net cash used by operating activities		
Depreciation	80,682	81,271
Bad debt expense	5,010	8,119
Gain on sale of assets	(314,341)	(4,200)
(Increase)/decrease in operating assets		
Receivables	(4,839)	(116,922)
Inventory	(471)	(2,237)
Prepaid expenses	(675)	(596)
Deposits	135	3,243
Increase/(decrease) in operating liabilities		
Accounts payable and accruals	71,334	(17,258)
Net Cash Provided By/(Used In) Operating Activities	<u>202,607</u>	<u>129,787</u>
Cash Flows From Investing Activities		
Proceeds from sale of assets	35,300	4,200
Purchase of equipment	(94,642)	(109,584)
Net Cash Provided By/(Used In) Investing Activities	<u>(59,342)</u>	<u>(105,384)</u>
Net Increase/(Decrease) in Cash	143,265	24,403
Cash, Beginning of year	<u>1,523,583</u>	<u>1,499,180</u>
Cash, End of year	<u>\$ 1,666,848</u>	<u>\$ 1,523,583</u>

EXHIBIT D

SABINE ASSOCIATION FOR RETARDED CITIZENS, INC.
MANY, LOUISIANA
STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED JUNE 30, 2013 AND 2012

	2013			2012
	Program Services	Management and General	Total	Total
Compensation and Related Expenses				
Employee benefits	\$ 19,795	\$ 37,584	\$ 57,379	\$ 46,294
Payroll taxes	168,841	28,759	197,600	196,846
Salaries	2,151,080	374,657	2,525,737	2,400,124
Workman's compensation insurance	37,175	5,217	42,392	45,663
Total Compensation And Related Expenses	2,376,891	446,217	2,823,108	2,688,927
Occupancy Expenses				
Depreciation	26,430	6,315	32,745	37,867
Insurance	25,311	4,510	29,821	29,575
Property taxes	4,281	0	4,281	4,274
Repairs and maintenance	30,855	24,065	54,920	51,336
Utilities	57,662	14,944	72,606	73,363
Total Occupancy Expenses	144,539	49,834	194,373	196,415
Transportation Expenses				
Depreciation	31,617	5,855	37,472	32,265
Fuel and oil	70,214	15,658	85,872	92,461
Insurance	22,416	11,307	33,723	34,559
Repairs and maintenance	29,336	8,060	37,396	47,773
Total Transportation Expenses	153,583	40,880	194,463	207,058
Other Expenses				
Advertising	135	0	135	175
Bad debt	5,010	0	5,010	8,119
Central office expense	0	363,598	363,598	366,616
Client recreation	17,915	0	17,915	12,463
Clothing and other personal items	21,639	0	21,639	20,390
Commissions	4,291	0	4,291	4,600
Contract services	61,160	31,652	92,812	80,980
Depreciation	8,516	1,949	10,465	11,139
Dues	0	11,724	11,724	11,996
Food	175,766	0	175,766	171,817
Insurance	0	21,904	21,904	20,744
License	7,043	0	7,043	8,733
Materials	182,615	0	182,615	197,039
Other	1,093	1,502	2,595	2,228
Postage	0	2,199	2,199	2,063
Professional fees	202	54,150	54,352	49,170
Provider fees	181,696	0	181,696	183,669
Rent	0	4,282	4,282	4,262
Repairs and maintenance	37,173	15,880	53,053	60,766
Supplies	69,827	26,170	95,997	86,717
Telephone	5,122	1,571	6,693	9,009
Training	1,827	0	1,827	1,045
Travel	250	0	250	630
Total Other Expenses	781,280	536,581	1,317,861	1,314,370
Total Functional Expenses	\$ 3,456,293	\$ 1,073,512	\$ 4,529,805	\$ 4,406,770

The notes to the financial statements are an integral part of this statement.

SABINE ASSOCIATION FOR RETARDED CITIZENS, INC.
MANY, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

REPORTING ENTITY

The Sabine Association for Retarded Citizens, Inc., is a quasi-governmental, nonprofit organization incorporated August 13, 1970, whose purpose is to a) promote the general welfare of mentally retarded citizens everywhere (at home, at school, in the community, and in institutions), b) aid the parents and families of mentally retarded citizens in the solution of personal, family and social problems arising from mental retardation, c) cooperate with all public and private agencies, organizations, groups and individuals working for the welfare of mentally retarded citizens, d) promote through dissemination of information to the general public, a fuller and more sympathetic understanding of the problems of mental retardation, their wide prevalence, and consequential social implications, e) help provide facilities for evaluation, care, treatment, education and employment of mentally retarded citizens, f) research into all phases of mental retardation: The causes, prevention, medical and social treatment, special educational methods, and opportunities for employment, g) train and educate both professional and nonprofessional personnel for work in the field of mental retardation, h) serve as a clearinghouse of information concerning mental retardation and activities on behalf of the mentally retarded in Sabine Parish, I) help foster local, state and national legislation on behalf of mentally retarded citizens.

The Association operates three separate divisions as follows: 1) the Adult Habilitation program, receives funding from the State of Louisiana, Department of Health and Hospitals, Office for Citizens with Developmental Disabilities to provide adult day services for at least 240 days each year. 2) Sabine Productions, a totally self-supportive sheltered workshop program, generating revenues through contracts with private individuals and companies for the provision of services performed by the members of the workshop. 3) Group Residential services, which operates six (6) group homes for the benefit of mentally handicapped individuals. The purpose of the group homes is to provide for the needs of mentally handicapped individuals in the area of appropriate residential living. The Community Homes receive funding from the United States Department of Health and Human Services, Medical Assistance Program, Title XIX, and Medicaid, as administered by the State of Louisiana, Department of Health and Hospitals. The Sabine Association for Retarded Citizens Community Homes division reimburses the Adult Habilitation Program for actual expenses incurred by the program to provide day training and supervision to participating group home residents.

CASH AND CASH EQUIVALENTS

Consistent with FASB 95, Statement of Cash Flows, The Sabine Association for Retarded Citizens defines cash and cash equivalents as not only currency on hand but also demand deposits with banks or other financial institutions and other kinds of accounts that have the general characteristics of demand deposits in that the customer may deposit additional funds at any time and also effectively may withdraw funds at any time without prior notice or penalty.

PROPERTY, BUILDINGS AND EQUIPMENT

Donations of property and equipment are recorded as support at their estimated fair value. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property, buildings and equipment are reported as restricted support. When donor stipulations are absent regarding how long those donated assets must be maintained, the Sabine Association for Retarded Citizens reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Association reclassifies temporarily restricted net assets to unrestricted net assets at that time. Property, buildings and equipment are depreciated using the straight-line method.

SABINE ASSOCIATION FOR RETARDED CITIZENS, INC.
MANY, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2013

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

NET ASSETS

The Sabine Association for Retarded Citizens has elected to adopt Statement of Financial Accounting Standards (SFAS) No. 117, "Financial Statements of Not-for-Profit Organizations." Under SFAS No. 117, the Association is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

PROMISES TO GIVE

Contributions are recognized when the donor makes a promise to give to the Sabine Association for Retarded Citizens that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are reported as increases in temporary or permanently restricted net assets, depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

CONTRIBUTIONS

The Sabine Association for Retarded Citizens has elected to adopt Statement of Financial Accounting Standards (SFAS) No. 116, "Accounting for Contributions Received and Contributions Made." In accordance with SFAS No. 116, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions.

COMPENSATED ABSENCES

The Sabine Association for Retarded Citizens employees earn annual and sick leave at various rates depending on the number of years in service. The amount of annual and sick leave that may be accumulated and carried over by each employee is limited to 80 hours. However, there are no vesting privileges. Therefore, no liability for compensated absences has been recorded in the accompanying financial statements.

ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

INCOME TAXES

The Sabine Association for Retarded Citizens, Inc., is exempt from income taxes under Internal Revenue Code Section 501(c)(3).

NOTE 2 RESTRICTIONS ON ASSETS

Restrictions on assets at June 30, 2013, relate to vans obtained through the U.S. Department of Transportation and Development (DOTD), which provides grants for the specific purpose of providing transportation services to elderly and disabled persons for whom mass transportation services are unavailable, insufficient or inappropriate.

SABINE ASSOCIATION FOR RETARDED CITIZENS, INC.
MANY, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2013

NOTE 2 RESTRICTIONS ON ASSETS (CONTINUED)

The program is administered by the Louisiana Department of Transportation and Development (LA DOTD). Disposition of the vehicles must have DOTD approval, must be in conformance with the provisions of OMB Circular A-102, Attachment N and a portion of the funds received must be returned to DOTD in proportion to the original percentage of federal funds contributed.

It is the policy of the Sabine Association for Retarded Citizens to amortize the asset restriction over its estimated useful life using the straight-line method.

NOTE 3 CASH AND INVESTMENTS

At June 30, 2013, the Sabine Association for Retarded Citizens had cash and investments totaling \$1,666,848, as follows:

Petty cash	\$ 1,962
Demand deposit accounts	284,664
Interest bearing accounts	1,329,669
Certificates of deposit	<u>50,553</u>
 Total	 <u>\$ 1,666,848</u>

At June 30, 2013, the Association had \$1,686,250 in bank deposits. These deposits were secured from risk by \$772,503 of federal deposit insurance and \$913,747 in pledged securities.

NOTE 4 RECEIVABLES

At June 30, 2013, the Sabine Association for Retarded Citizens had receivables of the following:

Medicaid	\$ 181,985
Charges for services and fees	277,109
Interest	21
Other	<u>321,030</u>
 Total	 <u>\$ 780,145</u>

NOTE 5 PROPERTY, BUILDINGS AND EQUIPMENT

All property and equipment are stated at historical cost. Depreciation is charged as an expense against operations and has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Buildings and improvements	10-30 years
Furniture and equipment	5-10 years
Automobiles	3-5 years

SABINE ASSOCIATION FOR RETARDED CITIZENS, INC.
MANY, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2013

NOTE 5 PROPERTY, BUILDINGS AND EQUIPMENT (CONTINUED)

A summary of the Sabine Association for Retarded Citizens's property, buildings and equipment at June 30, 2013 are as follows:

	Cost	Accumulated Depreciation	Net	Depreciation This Year
Land	\$ 231,200	\$ 0	\$ 231,200	\$ 0
Construction in progress	38,258	0	38,258	0
Buildings and improvements	883,484	552,398	331,086	32,744
Furniture and equipment	173,280	144,893	28,387	10,466
Automobiles	432,074	318,374	113,700	37,472
Total	<u>\$ 1,758,296</u>	<u>\$ 1,015,665</u>	<u>\$ 742,631</u>	<u>\$ 80,682</u>

The Association's automobiles were partially funded by grants from the U.S. Department of Transportation and Development (DOTD) and are subject to the applicable restrictions described in Note 2.

Maintenance and repairs are charged to operations when incurred. Betterments and renewals are capitalized. When property and equipment are sold or otherwise disposed of, the asset account and related accumulated depreciation account are relieved, and any gain or loss is included in activities.

NOTE 6 ACCOUNTS PAYABLE AND ACCRUALS

At June 30, 2013, the Sabine Association for Retarded Citizens had accounts payable and accruals of the following:

Vendor	\$ 86,824
Salaries and related benefits	171,938
Other	<u>17,074</u>
Total	<u>\$ 275,836</u>

NOTE 7 LEASE OBLIGATIONS

The Sabine Association for Retarded Citizens was not obligated under any capital or operating leases at June 30, 2013.

NOTE 8 LINE OF CREDIT

On August 25, 2012, Sabine Association for Retarded Citizens signed a loan agreement with MidSouth Bank for a \$50,000 Line of Credit, bearing interest at 2.40% with monthly interest payments through maturity on August 25, 2013. At June 30, 2013, the outstanding balance on the Line of Credit was \$0. No principal or interest payments were made on the Line of Credit during the year ended June 30, 2013.

SABINE ASSOCIATION FOR RETARDED CITIZENS, INC.
MANY, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2013

NOTE 9 EMPLOYEE RETIREMENT SYSTEM

All employees of the Sabine Association for Retarded Citizens are covered by the Social Security System. Employees contributed 4.2% from July 1, 2012 through December 31, 2012 and 6.2% from January 1, 2013 through June 30, 2013 of their total covered salary to the System, while the Association contributes 6.2% for the entire year. For the year ending June 30, 2013, total contributions to the System were \$291,401, of which the Association contributed \$156,596 and employees contributed \$134,805. Total payroll for the year ended June 30, 2013 was \$2,525,737 and total payroll covered by the System was \$2,525,737. The Federal government will finance any future deficits in this System. The Association has no further liability to the system.

NOTE 10 LITIGATION

There was no outstanding litigation against the Sabine Association for Retarded Citizens at June 30, 2013.

NOTE 11 FAIR VALUES OF FINANCIAL INSTRUMENTS

The Sabine Association for Retarded Citizens's financial instruments, none of which are held for trading purposes, include cash, receivables and notes payable. The Association estimates that the fair value of all financial instruments at June 30, 2013, does not differ materially from the aggregate carrying values of its financial instruments recorded in the accompanying statement of financial position. The estimated fair value amounts have been determined by the Association using available market information and appropriate valuation methodologies. Considerable judgment was necessarily to interpreting the market data used to develop the estimates of fair value, and accordingly, the estimates are not necessarily indicative of the amounts that the Association could realize in a current market exchange.

NOTE 12 RISK MANAGEMENT

The Sabine Association for Retarded Citizens is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Association maintains commercial insurance coverage covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the Association.

NOTE 13 CLAIMS AND JUDGEMENTS

The Sabine Association for Retarded Citizens participates in federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the Association may be required to reimburse the grantor government. Management believes that disallowed expenditures, if any, based on subsequent audits, will not have a material effect on the Association's overall financial position.

NOTE 14 DATE OF MANAGEMENT'S REVIEW OF SUBSEQUENT EVENTS

Management has evaluated subsequent events through December 6, 2013, the date which the financial statements were available to be issued.

SABINE ASSOCIATION FOR RETARDED CITIZENS, INC.GROUP HOMESMANY, LOUISIANASTATEMENTS OF FINANCIAL POSITIONJUNE 30, 2013 AND 2012

	<u>2013</u>	<u>2012</u>
Assets		
Cash	\$ 313,878	\$ 328,803
Receivables	503,015	168,761
Prepaid expenses	51,883	51,208
Deposits	7,049	7,184
Property, buildings and equipment, net	<u>424,247</u>	<u>478,847</u>
Total Assets	<u>\$ 1,300,072</u>	<u>\$ 1,034,803</u>
Liabilities		
Accounts payable and accruals	\$ 152,587	\$ 127,669
Total Liabilities	<u>152,587</u>	<u>127,669</u>
Net Assets		
Unrestricted	<u>1,147,485</u>	<u>907,134</u>
Total Net Assets	<u>1,147,485</u>	<u>907,134</u>
Total Liabilities and Net Assets	<u>\$ 1,300,072</u>	<u>\$ 1,034,803</u>

SABINE ASSOCIATION FOR RETARDED CITIZENS, INC.
GROUP HOMES
MANY, LOUISIANA
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2013 AND 2012

	<u>2013</u>	<u>2012</u>
Unrestricted Net Assets		
Support		
Medicaid	\$ 2,009,558	\$ 2,064,689
Charges for services and fees	155,396	168,788
Interest	231	193
Others	317,929	6,670
Net Assets Released from Restrictions		
Depreciation on restricted assets	<u>77,152</u>	<u>896</u>
Total Revenues, Gains and Other Support	2,560,266	2,241,236
Expenses		
Program services	1,611,724	1,586,262
Management and general	708,191	625,119
Transfers	<u>0</u>	<u>63,321</u>
Total Expenses	<u>2,319,915</u>	<u>2,274,702</u>
Increase/(Decrease) in Unrestricted Net Assets	240,351	(33,466)
Temporarily Restricted Net Assets		
Current depreciation on restricted assets	<u>0</u>	<u>(896)</u>
Increase(Decrease) in Temporarily Restricted Net Assets	<u>0</u>	<u>(896)</u>
Increase/(Decrease) in Net Assets	240,351	(34,362)
Net Assets, Beginning of year	<u>907,134</u>	<u>941,496</u>
Net Assets, End of year	<u>\$ 1,147,485</u>	<u>\$ 907,134</u>

SABINE ASSOCIATION FOR RETARDED CITIZENS, INC.
GROUP HOMES
MANY, LOUISIANA
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2013 AND 2012

	<u>2013</u>	<u>2012</u>
Cash Flows From Operating Activities		
Change in net assets	\$ 240,351	\$ (34,362)
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	53,737	49,352
Bad debt expense	1,004	0
Gain on sale of assets	(312,141)	(3,100)
(Increase)/decrease in operating assets		
Receivables	(16,848)	17,762
Prepaid expenses	(675)	(596)
Deposits	135	3,459
Increase/(decrease) in operating liabilities		
Accounts payable and accruals	24,918	(16,499)
Net Cash Provided By/(Used In) Operating Activities	<u>(9,519)</u>	<u>16,016</u>
Cash Flows From Investing Activities		
Proceeds from sale of assets	33,100	3,100
Purchase of equipment	<u>(38,506)</u>	<u>(95,619)</u>
Net Cash Provided By/(Used In) Investing Activities	<u>(5,406)</u>	<u>(92,519)</u>
Net Increase/(Decrease) in Cash	(14,925)	(76,503)
Cash, Beginning of year	<u>328,803</u>	<u>405,306</u>
Cash, End of year	<u>\$ 313,878</u>	<u>\$ 328,803</u>

SABINE ASSOCIATION FOR RETARDED CITIZENS, INC.
GROUP HOMES
MANY, LOUISIANA
STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED JUNE 30, 2013 AND 2012

	2013			2012
	Program Services	Management and General	Total	Total
Compensation and Related Expenses				
Employee benefits	\$ 12,378	\$ 37,584	\$ 49,962	\$ 41,251
Payroll taxes	68,330	28,759	97,089	97,153
Salaries	890,185	374,657	1,264,842	1,189,213
Workman's compensation insurance	12,397	5,217	17,614	19,087
Total Compensation and Related Expenses	983,290	446,217	1,429,507	1,346,704
Occupancy Expenses				
Depreciation	18,655	6,315	24,970	27,442
Insurance	10,619	4,510	15,129	15,461
Repairs and maintenance	25,399	24,065	49,464	40,121
Utilities	40,639	14,944	55,583	57,777
Total Occupancy Expenses	95,312	49,834	145,146	140,801
Transportation Expenses				
Depreciation	20,702	5,855	26,557	20,504
Fuel and oil	17,118	15,658	32,776	33,553
Insurance	8,417	11,307	19,724	21,347
Repairs and maintenance	7,249	8,060	15,309	12,573
Total Transportation Expenses	53,486	40,880	94,366	87,977
Other Expenses				
Bad debt	1,004	0	1,004	0
Central office expense	0	0	0	1,505
Client Recreation	10,059	0	10,059	9,403
Clothing and other personal items	21,639	0	21,639	18,442
Contract services	55,953	31,652	87,605	80,810
Depreciation	261	1,949	2,210	1,406
Dues	0	11,724	11,724	11,321
Food	140,188	0	140,188	137,739
Insurance	0	21,904	21,904	20,744
Licenses	3,100	0	3,100	4,590
Other	341	1,502	1,843	1,368
Postage	0	2,199	2,199	2,063
Professional fees	0	54,150	54,150	49,170
Provider fees	181,696	0	181,696	183,669
Rent	0	4,282	4,282	4,262
Repairs and maintenance	10,998	15,880	26,878	28,204
Supplies	50,896	24,447	75,343	74,805
Telephone	1,674	1,571	3,245	5,317
Training	1,827	0	1,827	675
Travel	0	0	0	406
Total Other Expenses	479,636	171,260	650,896	635,899
Total Functional Expenses	\$ 1,611,724	\$ 708,191	\$ 2,319,915	\$ 2,211,381

The notes to the financial statements are an integral part of this statement.

SABINE ASSOCIATION FOR RETARDED CITIZENS, INC.
ADULT HABILITATION PROGRAM
MANY, LOUISIANA
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2013 AND 2012

	2013			2012
	Supported Individual Living	Adult Day Habilitation	Total	Total
Assets				
Cash	\$ 0	\$ 1,204,109	\$ 1,204,109	\$ 1,100,214
Investments	0	50,553	50,553	50,301
Receivables	181,368	74,524	255,892	257,425
Deposits	448	800	1,248	1,248
Property, buildings and equipment, net	0	39,483	39,483	5,630
Total Assets	<u>\$ 181,816</u>	<u>\$ 1,369,469</u>	<u>\$ 1,551,285</u>	<u>\$ 1,414,818</u>
Liabilities				
Accounts payable	\$ 34,784	\$ 20,955	\$ 55,739	\$ 52,356
Total Liabilities	34,784	20,955	55,739	52,356
Net Assets				
Unrestricted	147,032	1,348,514	1,495,546	1,356,832
Temporarily restricted	0	0	0	5,630
Total Net Assets	<u>147,032</u>	<u>1,348,514</u>	<u>1,495,546</u>	<u>1,362,462</u>
Total Liabilities and Net Assets	<u>\$ 181,816</u>	<u>\$ 1,369,469</u>	<u>\$ 1,551,285</u>	<u>\$ 1,414,818</u>

SABINE ASSOCIATION FOR RETARDED CITIZENS, INC.
ADULT HABILITATION PROGRAM
MANY, LOUISIANA
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2013 AND 2012

	2013			2012
	Supported Individual Living	Adult Day Habilitation	Total	Total
Unrestricted Net Assets				
Support				
Charges for services and fees	\$ 1,048,236	\$ 818,835	\$ 1,867,071	\$ 1,825,557
Interest	0	962	962	1,490
Net Assets Released from Restrictions				
Depreciation on restricted assets	0	0	0	8,923
Total Revenues, Gains and Other Support	1,048,236	819,797	1,868,033	1,835,970
Expenses				
Program services	832,202	463,747	1,295,949	1,242,627
Management and general	116,636	151,708	268,344	373,335
Transfers	103,513	67,143	170,656	0
Total Expenses	1,052,351	682,598	1,734,949	1,615,962
Increase in Unrestricted Net Assets	(4,115)	137,199	133,084	220,008
Temporarily Restricted Net Assets				
Current depreciation on restricted assets	0	0	0	(8,923)
Increase/(Decrease) in Temporarily Restricted Net Assets	0	0	0	(8,923)
Increase in Net Assets	(4,115)	137,199	133,084	211,085
Net Assets, Beginning of year	151,147	1,211,315	1,362,462	1,151,377
Net Assets, End of year	\$ 147,032	\$ 1,348,514	\$ 1,495,546	\$ 1,362,462

SABINE ASSOCIATION FOR RETARDED CITIZENS, INC.
ADULT HABILITATION PROGRAM
MANY, LOUISIANA
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2013 AND 2012

	<u>2013</u>	<u>2012</u>
Cash Flows From Operating Activities		
Change in net assets	\$ 133,084	\$ 211,085
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	7,708	8,923
Bad debt expense	2,274	4,954
(Increase)/Decrease in operating assets		
Receivables	(741)	(126,488)
Deposits	0	(216)
Increase/(decrease) in operating liabilities		
Accounts payable and accruals	3,383	9,320
Net Cash Provided By/(Used In) Operating Activities	<u>145,708</u>	<u>107,578</u>
Cash Flows From Investing Activities		
Purchase of equipment	<u>(41,561)</u>	<u>0</u>
Net Cash Provided By/(Used In) Investing Activities	<u>(41,561)</u>	<u>0</u>
Net Increase in Cash	104,147	107,578
Cash, Beginning of year	<u>1,150,515</u>	<u>1,042,937</u>
Cash, End of year	<u>\$ 1,254,662</u>	<u>\$ 1,150,515</u>

SABINE ASSOCIATION FOR RETARDED CITIZENS, INC.
ADULT HABILITATION PROGRAM
MANY, LOUISIANA
STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED JUNE 30, 2013 AND 2012

	2013					2012
	Program Services		Management and General		Total	Total
	Supported Individual Living	Adult Day Habilitation	Program Services			
Compensation and Related Expenses						
Employee benefits	\$ 0	\$ 7,417	\$ 7,417	\$ 0	\$ 7,417	\$ 5,043
Payroll taxes	60,228	30,985	91,213	0	91,213	90,171
Salaries	742,902	357,997	1,100,899	0	1,100,899	1,048,635
Workman's compensation insurance	10,751	10,045	20,796	0	20,796	21,609
Total Compensation and Related Expenses	813,881	406,444	1,220,325	0	1,220,325	1,165,458
Transportation Expenses						
Depreciation	0	7,708	7,708	0	7,708	8,923
Fuel and oil	0	28,286	28,286	0	28,286	31,138
Insurance	0	4,867	4,867	0	4,867	4,341
Repairs and maintenance	0	13,575	13,575	0	13,575	23,223
Total Transportation Expenses	0	54,436	54,436	0	54,436	67,625
Other Expenses						
Bad debt expense	2,274	0	2,274	0	2,274	4,954
Central office expense	0	0	0	268,344	268,344	365,111
Client Recreation	3,346	0	3,346	0	3,346	1,948
Contract Services	0	0	0	0	0	170
Dues	0	0	0	0	0	500
License	800	0	800	0	800	1,000
Other	246	471	717	0	717	860
Professional fees	0	202	202	0	202	0
Repairs and maintenance	875	0	875	0	875	5,092
Supplies	10,780	150	10,930	0	10,930	1,042
Telephone	0	1,794	1,794	0	1,794	1,608
Training	0	0	0	0	0	370
Travel	0	250	250	0	250	224
Total Other Expenses	18,321	2,867	21,188	268,344	289,532	382,879
Total Functional Expenses	\$ 832,202	\$ 463,747	\$ 1,295,949	\$ 268,344	\$ 1,564,293	\$ 1,615,962

The notes to the financial statements are an integral part of this statement.

SABINE ASSOCIATION FOR RETARDED CITIZENS, INC.
SHELTERED WORKSHOP
MANY, LOUISIANA
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2013 AND 2012

	2013						2012
	Rental Building	Mobile Crew	Sabine Car Care	Sabine Production Center	Woodshop	Thrift Store	Total
Assets							
Cash	\$ 0	\$ 0	\$ 50	\$ 98,208	\$ 0	\$ 50	\$ 98,308
Accounts receivable	0	15,805	681	2,687	1,774	291	21,238
Inventory	0	0	2,594	16,645	25,114	0	44,353
Deposits	125	0	310	0	330	375	1,140
Property, buildings and equip., net	29,315	20,607	7,125	0	7,904	213,950	278,901
Total Assets	<u>\$ 29,440</u>	<u>\$ 36,412</u>	<u>\$ 10,760</u>	<u>\$ 117,540</u>	<u>\$ 35,122</u>	<u>\$ 214,666</u>	<u>\$ 443,940</u>
Liabilities							
Accounts payable and accruals	\$ 730	\$ 8,573	\$ 5,266	\$ 39,684	\$ 11,859	\$ 1,398	\$ 67,510
Total Liabilities	730	8,573	5,266	39,684	11,859	1,398	67,510
Net Assets							
Unrestricted	28,710	27,839	5,494	77,856	23,263	213,268	376,430
Total Net Assets	<u>28,710</u>	<u>27,839</u>	<u>5,494</u>	<u>77,856</u>	<u>23,263</u>	<u>213,268</u>	<u>376,430</u>
Total Liabilities and Net Assets	<u>\$ 29,440</u>	<u>\$ 36,412</u>	<u>\$ 10,760</u>	<u>\$ 117,540</u>	<u>\$ 35,122</u>	<u>\$ 214,666</u>	<u>\$ 443,940</u>

The notes to the financial statements are an integral part of this statement.

SABINE ASSOCIATION FOR RETARDED CITIZENS, INC.
SHELTERED WORKSHOP
MANY, LOUISIANA
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2013 AND 2012

	2013						2012
	Sabine						
	Rental Building	Mobile Crew	Sabine Car Care	Production Center	Woodshop	Thrift Store	Total
Unrestricted Net Assets							
Support							
Charges for services and fees	\$ 0	\$ 112,788	\$ 187,768	\$ 120,073	\$ 79,258	\$ 23,583	\$ 523,470
Rentals	15,840	0	0	0	0	0	15,840
Other	0	1,000	0	2,401	1,719	0	5,120
Transfers	0	7,950	0	0	46,072	39,482	93,504
Total Revenues, Gains, and Other Support	15,840	121,738	187,768	122,474	127,049	63,065	637,934
Expenses							
Program services	9,990	128,546	128,058	103,199	113,626	65,201	548,620
Management and general	7,018	0	62,450	23,021	2,210	2,278	96,977
Transfers	0	0	0	0	0	0	0
Total Expenses	17,008	128,546	190,508	126,220	115,836	67,479	645,597
Increase/(Decrease) in Net Assets	(1,168)	(6,808)	(2,740)	(3,746)	11,213	(4,414)	(7,663)
Net Assets, Beginning of year	29,878	34,647	8,234	81,602	12,050	217,682	384,093
Net Assets, End of year	\$ 28,710	\$ 27,839	\$ 5,494	\$ 77,856	\$ 23,263	\$ 213,268	\$ 376,430

The notes to the financial statements are an integral part of this statement.

SABINE ASSOCIATION FOR RETARDED CITIZENS, INC.
MANY, LOUISIANA
SHELTERED WORKSHOP
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2013 AND 2012

	<u>2013</u>	<u>2012</u>
Cash Flows From Operating Activities		
Change in net assets	\$ (7,663)	\$ 1,644
Adjustments to reconcile change in net assets to net cash provided by/(used in) operating activities		
Depreciation	19,237	22,996
Bad debt expense	1,732	3,165
Gain on sale of assets	(2,200)	(1,100)
(Increase)/decrease in operating assets		
Receivables	12,750	(8,196)
Inventory	(471)	(2,237)
Increase/(decrease) in operating liabilities		
Accounts payable and accruals	43,033	(10,079)
Net Cash Provided By/(Used In) Operating Activities	<u>66,418</u>	<u>6,193</u>
Cash Flows From Investing Activities		
Proceeds from sale of assets	2,200	1,100
Purchase of equipment	(14,575)	(13,965)
Net Cash Provided By/(Used In) Investing Activities	<u>(12,375)</u>	<u>(12,865)</u>
Net Increase/(Decrease) in Cash	54,043	(6,672)
Cash, Beginning of year	<u>44,265</u>	<u>50,937</u>
Cash, End of year	<u>\$ 98,308</u>	<u>\$ 44,265</u>

SABINE ASSOCIATION FOR RETARDED CITIZENS, INC.
MANY, LOUISIANA
SHELTERED WORKSHOP
STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED JUNE 30, 2013 AND 2012

	2013								2012	
	PROGRAM SERVICES									
	Rental Building	Mobile Crew	Sabine Car Care	Sabine Production Center	Woodshop	Thrift Store	Program Services	Management and General	Total	Total
Compensation and Related Expenses										
Payroll taxes	\$ 0	\$ 4,047	\$ 1,441	\$ 1,633	\$ 1,594	\$ 583	\$ 9,298	\$ 0	\$ 9,298	\$ 9,522
Salaries	0	53,219	18,946	20,888	20,992	45,951	159,996	0	159,996	162,276
Workman's compensation insurance	0	2,128	538	325	806	185	3,982	0	3,982	4,967
Total Compensation and Related Expenses	0	59,394	20,925	22,846	23,392	46,719	173,276	0	173,276	176,765
Occupancy Expenses										
Depreciation	1,317	0	950	0	639	4,869	7,775	0	7,775	10,425
Insurance	1,489	0	3,459	1,502	6,318	1,924	14,692	0	14,692	14,114
Property taxes	942	537	72	381	1,829	520	4,281	0	4,281	4,274
Repairs and maintenance	1,227	0	770	0	2,578	881	5,456	0	5,456	11,215
Utilities	5,015	0	6,589	160	2,340	2,919	17,023	0	17,023	15,586
Total Occupancy Expenses	9,990	537	11,840	2,043	13,704	11,113	49,227	0	49,227	55,614
Transportation Expenses										
Depreciation	0	2,705	0	0	502	0	3,207	0	3,207	2,838
Fuel and oil	0	17,680	0	3,578	2,708	844	24,810	0	24,810	27,770
Insurance	0	4,942	0	0	2,844	1,346	9,132	0	9,132	8,871
Repairs and maintenance	0	4,248	0	1,784	2,225	255	8,512	0	8,512	11,977
Total Transportation Expenses	0	29,575	0	5,362	8,279	2,445	45,661	0	45,661	51,456
Other Expenses										
Advertising	0	27	27	27	27	27	135	0	135	175
Bad debts	0	1,732	0	0	0	0	1,732	0	1,732	3,165
Central office expense	0	0	0	0	0	0	0	95,254	95,254	0
Client recreation	0	0	0	4,510	0	0	4,510	0	4,510	3,060
Commissions	\$ 0	\$ 0	\$ 0	\$ 2,605	\$ 1,686	\$ 0	\$ 4,291	\$ 0	\$ 4,291	\$ 4,600

The notes to the financial statements are an integral part of this statement.

SABINE ASSOCIATION FOR RETARDED CITIZENS, INC.
MANY, LOUISIANA
SHELTERED WORKSHOP
STATEMENTS OF FUNCTIONAL EXPENSES (CONTINUED)
FOR THE YEARS ENDED JUNE 30, 2013 AND 2012

	2013								2012	
	PROGRAM SERVICES								Total	Total
	Rental Building	Mobile Crew	Sabine Car Care	Sabine Production Center	Woodshop	Thrift Store	Program Services	Management and General	Total	Total
Other Expenses (Continued)										
Contract Services	\$ 0	\$ 0	\$ 0	\$ 1,008	\$ 3,792	\$ 407	\$ 5,207	\$ 0	\$ 5,207	\$ 0
Depreciation	0	8,255	0	0	0	0	8,255	0	8,255	9,733
Dues	0	0	0	0	0	0	0	0	0	175
Food	0	7,339	3,729	12,109	9,374	3,027	35,578	0	35,578	34,078
License	0	0	143	0	3,000	0	3,143	0	3,143	3,143
Materials	0	0	86,704	51,369	44,651	0	182,615	0	182,615	197,039
Other	0	0	0	35	0	0	35	0	35	0
Repairs and maintenance	0	16,795	3,001	6	3,509	141	25,300	0	25,300	27,470
Supplies	0	4,892	1,153	1,279	1,339	1,077	8,001	1,723	9,724	10,870
Telephone	0	0	536	0	873	245	1,654	0	1,654	2,084
Total Other Expenses	0	39,040	95,293	72,948	68,251	4,924	280,456	96,977	377,433	295,592
Total Functional Expenses	\$ 9,990	\$ 128,546	\$ 128,058	\$ 103,199	\$ 113,626	\$ 65,201	\$ 548,620	\$ 96,977	\$ 645,597	\$ 579,427

The notes to the financial statements are an integral part of this statement.

SCHEDULE 13

SABINE ASSOCIATION FOR RETARDED CITIZENS, INC.
MANY, LOUISIANA
SCHEDULE OF COMPENSATION TO BOARD MEMBERS
FOR THE YEAR ENDED JUNE 30, 2013

<u>BOARD MEMBER</u>	<u>Meetings Attended</u>	<u>Compensation</u>
Pete Abington	6	\$ 0
Suzette Anderson	2	0
Wilton Anthony	1	0
Katherine Green	2	0
Mary Hariel	5	0
Daniel Lowe	4	0
Jean Rains	4	0
Gloria Ruffin	6	0
Vicki Sistrunk	5	\$ 0

SABINE ASSOCIATION FOR RETARDED CITIZENS, INC.
MANY, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2013

SECTION #1

SUMMARY OF AUDITORS' RESULTS

FINANCIAL STATEMENTS

- | | | |
|----|--|---------------|
| 1. | Type of auditors' report issued. | Unqualified |
| 2. | Internal control over financial reporting: | |
| | a) Material weakness(es) identified? | No |
| | b) Significant deficiency(ies) identified that are not considered to be material weaknesses? | None reported |
| 3. | Noncompliance material to financial statements noted? | No |

SECTION #2

FINANCIAL STATEMENT FINDINGS

None reported.

HINES, SHEFFIELD & SQUYRES, L.L.C.

FRANK S. HINES, CPA
LEWIS C. HINES, CPA
E. MERLIN SQUYRES, CPA
JAY H. SHEFFIELD, CPA
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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Independent Auditor's Report

Board of Directors
Sabine Association for Retarded Citizens, Inc.
Many, Louisiana 71449

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the Sabine Association for Retarded Citizens, Inc., as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the Association's financial statements, and have issued our report thereon dated December 6, 2013.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Sabine Association for Retarded Citizens's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control. Accordingly, we do not express an opinion on the effectiveness of Association's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Sabine Association for Retarded Citizens's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose

Hines, Sheffield & Squyres

Natchitoches, Louisiana

December 6, 2013

SABINE ASSOCIATION FOR RETARDED CITIZENS, INC.
MANY, LOUISIANA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED
JUNE 30, 2013

<u>Ref. No.</u>	<u>Fiscal Year Finding Initially Occurred</u>	<u>Description of Finding</u>	<u>Corrective Action Taken (Yes, No, Partially)</u>	<u>Planned Corrective Action/Partial Corrective Action Taken</u>
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Nothing came to our attention that would require disclosure under Government Auditing Standards.

SABINE ASSOCIATION FOR RETARDED CITIZENS, INC.
MANY, LOUISIANA
CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS
FOR THE YEAR ENDED
JUNE 30, 2013

<u>Ref. No.</u>	<u>Description of Finding</u>	<u>Corrective Action Planned</u>	<u>Name(s) of Contact Person(s)</u>	<u>Anticipated Completion Date</u>
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Nothing came to our attention that would require disclosure under Government Auditing Standards.